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Australia

Food and Agricultural Import Regulations and Standards

Comment Sought on Feasibility of Extending Country of Origin Labeling

2006

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Report Highlights:

Food Standards Australia New Zealand (FSANZ) is calling for public comment on a discussion paper about the feasibility of extending the new Australian country of origin labeling standard to include the labeling of two or less fruit and/or vegetable processed food ingredients. The comment period ends at close of business, Wednesday, March 8, 2006 (Canberra time).

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Canberra [AS1]
[AS]

Introduction

Food Standards Australia New Zealand (FSANZ) is calling for public comment on a discussion paper about the feasibility of extending the new Australian country of origin labeling standard to include the labeling of two or less fruit and/or vegetable processed food ingredients.

Australia already has a new country of origin labeling standard that was gazetted in December 2005 (see report number AS5048). The new standard will ensure that, from June 8, 2006, unpackaged fruit, vegetables, nuts, and seafood will be clearly labeled with their country of origin, whether that is Australia or another country. Unpackaged pork products will have to have country of origin labeling from December 8, 2006 and the changes to packaged foods, most of which already are labeled, will have to occur by December 2007. These changes are estimated to cost a one-off \$60 million.

FSANZ Discussion Paper

When the Australia and New Zealand Food Regulation Ministerial Council agreed to the new country of origin labeling standard in November 2005, the ministers asked FSANZ to look at the feasibility of extending the standard further.

FSANZ has now prepared a discussion paper on the feasibility of extending the new standard to include the names of the countries where the fruit or vegetables were grown for products with two or less whole fruit and/or vegetables. For example labeling mixed frozen peas and carrots with the peas coming from Australia and the carrots from China.

The feasibility study looks at labeling of whole, shelled, diced, peeled, chopped or diced fruit and vegetables, such as peeled or chopped canned tomatoes, but not crushed or pureed tomatoes. It also includes, at the request of ministers, juices and soy milks with two or less fruit and/or vegetable ingredients.

The submission period ends at close of business on Wednesday, March 8, 2006.

Independent Report

To assist in the development of the discussion paper, FSANZ also commissioned an independent report from the Centre for International Economics (CIE) on the benefits and costs of extending the country of origin labeling standard. The CIE concluded that the evidence presented in its study made a strong case that the costs of the proposed extension to country of origin labeling (CoOL) would exceed the benefits from its implementation:

‘The weight of evidence suggests that the public costs of the proposed extension to CoOL would exceed the public benefits. Indeed, the weight of evidence suggests that implementation of the proposed extension of CoOL would not be in the overall interest of Australia. It would harm the horticultural industry, the horticultural processing industry and exports. Consumers would have to pay more for a tiny increment in information of little extra value to them.

Interestingly, although food processors in their submissions expressed concern that the proposed extension to CoOL as protectionist, based on the evidence presented here, it turns out to protect no group in the domestic supply chain. Ironically, instead of potentially protecting the domestic industry, it harms it in favour of imports of finished products’.

Further information

FSANZ are seeking public comment about this discussion paper before finalizing a report in March 2006, where a decision will be made about whether this is developed further into a food standard. ***The submission period ends at close of business on Wednesday March 8, 2006 (Canberra time).***

The discussion paper can be found on the FSANZ website at
http://www.foodstandards.gov.au/_srcfiles/CoOL_Discussion_Paper_17%20Feb_2006.pdf.

The CIE's report on the benefits and cost analysis of extending the country of origin labeling standard is on the FSANZ website at
http://www.foodstandards.gov.au/_srcfiles/CoOL%20BCA%2017%20Feb%202006.pdf.

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